

agreed upon maximum contribution rate. As an illustration, the maximum rate allowed for November 1, 2002 is \$640.64. If the rate requested with documentation called for a rate of \$652.50, the \$11.86 above the agreed upon maximum would be covered by utilizing the carryover credit balance fund of \$38.00. In this illustration, use of the \$11.86 credit would reduce the \$38.00 carryover credit balance to \$26.14 over the remainder of the term of the MOU.

(e) An eligible employee with respect to whom monthly contributions are required shall mean any employee on the payroll on the first day of any calendar month who has been on the payroll of the City eighty (80) hours or more during the preceding calendar month. Said contribution shall institute full compliance with and full performance of all obligations of the City to provide health and welfare benefits for its employees.

(f) During the term of this MOU the parties herein reserve the right to request the other party to meet and confer on the subject of this section for the purpose of reviewing and considering a competitive proposal from the requesting party for the obtaining of equal or comparable health and welfare benefits for covered employees at no additional or less cost to the City.

Section 18.2 Life Insurance

(a) The City shall provide, at its expense, a term life insurance group policy for employee's annual base salary as stated in "Appendix A" of this MOU. In no event will an employee have less than a \$50,000. life insurance policy. Income tax consequences, in conformance with IRS regulations, will be the responsibility of the employee.

(b) Said employees shall be entitled to purchase at their own expense unlimited additional term life insurance from the carrier providing the above-mentioned policy at no cost to the City under such terms and conditions as are customarily imposed by such carrier in its normal course of business.

(c) Subject to agreement with the miscellaneous and management bargaining units, the City agrees to provide Level IV 1959 Survivor's Benefits to members of this bargaining unit. This benefit has a monthly employee cost (currently \$2.00), determined by PERS, and a rate based on actuarial valuation to the City on a monthly basis.

Section 18.3 Long Term Disability

The City shall provide long-term disability benefits during the term of this Memorandum of Understanding for members of this bargaining unit in accordance with the agreement between the City and Canada Life Insurance Company, as in force on October 1, 1981.

For those members of this bargaining unit who do not have City paid Long Term